

questions to ask

As you go through the process of deciding whether to purchase or finance solar panels, below are some questions to ask yourself and the companies you are interviewing. Good luck in your decision making—going solar is an exciting option and one that can give you many years of satisfaction.

Questions Related to Making the Decision to Go Solar

yes no notes	Are there financial incentives available in your state for residential solar systems?
yes no notes	Have you received quotes from at least three solar installation companies?
yes no notes	Will the solar developer install the system directly or will that be done by a sub-contracted installer?
yes no notes	How long has the solar developer and/or installer been in business? What is the solar developer/installer's reputation and financial standing? Do you know anyone who has used this solar developer/installer before? Have you received references?
yes no notes	Does the solar installer have the proper state certifications and licenses, if required?
yes no notes	Will an on-site visit be performed to assess whether your house is a viable site for a solar system?
yes no notes	Will you be able to monitor the electrical production of your solar system once it is installed?
yes no notes	Will the electricity produced by your system cover all of your electrical needs at home? On average, will your system produce excess electricity? How much will you be compensated for excess electricity production if your state has net metering in place?
	18 A HOMEOWNER'S GUIDE TO SOLAR FINANCING Leases, Loans, and PPAs

Questions Related to Financing

yes no notes	Have you asked the solar developer to calculate the payback and walk you through the contract and any assumptions?
yes no notes	Given your personal tax situation, does it make more sense to own (through a loan or direct purchase) your solar system to take advantage of all the federal and state tax incentives?
yes no notes	What is the interest rate and duration (in years) of the financing agreement? Have you shopped around to compare other financing packages
yes no notes	Will you have to make a down payment? Do you have the option to make a down payment to reduce monthly fixed payments (lease) or kilowatt-hour rate (PPA)?
yes no notes	Will your monthly loan payments be equal to or less than the savings on your electric bill? (You'll want to factor in how much of your electricity need will be met by your solar PV system as that will impact the reduction of your electric bill. If the system doesn't cover a significant portion of your electricity needs, then your savings may not be substantial enough to justify the payments for your PV system.)
yes no notes	Is there an escalation clause included in the financing agreement? If so, what is the annual escalation rate?
yes no notes	If you are financing through a PPA, is the electricity rate you are being offered lower than what you are currently paying?
yes no notes	If you are financing through a lease or PPA, is there a pre-payment option under which you can pay some or all of your lease or PPA payments before they become due?

	Questions	Related to	Financing	(continued)
--	-----------	------------	-----------	-------------

yes no notes	If you are financing your system through a lease or PPA, what happens at the end of the contract term? Does the contract require you to buy the system at the end of your term? If so, how is the buyout amount determined?
yes no notes	Can you buy out your financing contract? Under what circumstances? At what rate? At what point? How is that rate calculated?
yes no notes	What happens if you sell your home before the end of your solar contract term? For instance, what happens if the buyer does not qualify to assume your solar lease or PPA? What if the buyer does not want the solar system included in the property sale?
yes no notes	If you are financing your system through a lease or PPA, what happens if you need to replace the roof during the contract term?
yes no notes	Could the system be removed or repossessed if the lender goes out of business or gets into financial trouble?
yes no notes	Can the lender sell the contract to a new entity? Will you be notified if that happens?